STATEMENT *RE*: INCOME TAX.

PRESIDENT : In view to certain observations that were made by certain honourable members with regard to income tax, I have had a statement prepared.

The free limit of Rs. 1,500 does not apply separately to Agricultural Income. Persons in receipt of a 'total income' whic h is less than Rs. 2,000 do not pay any income tax at all. Where such total income is comprised either wholly of agricultural income or partly of Agricultural Income and partly of non-argricultural income, the basic tax of 4 cash per cent of land is the only tax payable.

In the case of a person whose 'total income' is, say, Rs. 2,100 the tax payable is on Rs. 2,100 minus the free limit of Rs. 1,500 i. e., on Rs. 600 only at 1 1/2 chs. per rupee or Rs. 32-4-0. This payment may be compared with the tax-liability of Rs. 70-8-12 (at 15 cash per rupee on Rs. 2,100) before the amendment. The tax-payer in receipt of a 'total income' below Rs. 8,000 per year has to pay under the new law a lesser amount of tax than before.

Another point which arose out of certain observations on the debate was that according to the Vehicles Taxation Act, this Government, under the pretext of dropping tolls have introduced fresh taxation. It may be interesting for honourable members to know that His Highness the Maharaja of Cochin has just given sign manual to the Cochin Vehicles Taxation Act which word for word represents the provisions of the Travancore Vehicles Tax Act.

GROUPING OF DEMANDS.

In response to what fell from honourable members, they will notice that the demands have been rearranged. The first demand is General Administration excluding Financial Secretariat, Accountant General's Office, Legislative Bodies and Local Fund Audit Department. It is ofcourse known that each of these demands can be discussed for two hours. The question is whether the honourable members wish to do it or not. Obviously there may not be enough for discussion under General Administration—Legislative Bodies. Is it the desire of the House that four hours should be allotted for all these demands together or that two hours should be allotted for each demand ? I am willing to abide by the decision of the House. (The House decided that four hours may be allotted for all the demands together.)

On the last occasion I have been taking it for granted that certain motions are admissible and that certain others are not. In order that the practice might be regulated and in view especially to new conditions that may arise, I do not propose to give any ruling on the admissibility or non-admissibility of any cut motion until I have heard both sides.

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